

Appendix 6

Summary of Past Reports

Task Force members and staff reviewed summaries or read in full more than two decades of external and internal reports, commentaries, and audits of the VR&E program.¹

- More than a dozen of these mostly critical reports, dated from 1980-2002, came from the General Accounting Office, sometimes aimed specifically at the Vocational Rehabilitation and Employment Program (or earlier programs under different names), and sometimes aimed at federal employment programs in general.
- One especially critical report, dated 1999, was the *Congressional Commission on Servicemembers and Veterans Transition Assistance*², which targeted all federal veterans programs.
- More than half a dozen were internal VR&E reports, dated 1996-2002, which usually accepted the criticism and indicated reforms to improve the program.
- One report, dated 2003, came from VA's Inspector General and questioned the accuracy of VA data used to compare the rehabilitation rate for FY 2000.
- A recent report, *The Independent Budget for Fiscal Year 2004*—now in its 17th year—was prepared by four veterans service organizations: AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars of the United States.

Sadly, all external reports say the same thing: VR&E has failed to achieve what the law intends—suitable employment for veterans with service-connected disabilities. This is the target that eludes VR&E even today, despite commendable efforts in recent years to re-focus the program on employment.

Common themes run through the reports:

- Lack of Central Office leadership and guidance
- Lack of program direction
- Lack of accountability for program results and poor-decision making
- Lack of adequate program data
- Outdated policies and procedure manuals
- Perception of VR&E as a training program
- Emphasis on training, not employment services
- Too process-driven and not focused on employment results
- Declaring veterans rehabilitated without ensuring that they achieve suitable employment
- Failure to plan or provide any follow-up activities with “rehabilitated” beneficiaries to ensure that the goal of long-term employment was actually successful
- High attrition rate of program participants
- Low success rate
- Need for VA to emphasize serving veterans with serious employment handicaps

- Outdated case management techniques
- Lack of comprehensive rehabilitative services
- Failure to coordinate within VA and with the Department of Labor and other agencies

GAO and others criticized the then Vocational Rehabilitation and Counseling Program (VR&C) for moving too slowly in implementing the mandates of the 1980 amendments, which added employment as the mission of the program. Indeed, it took VA more than 11 years after the amendments were enacted to finalize the section of its procedural manual implementing the 1980 changes that address employment assistance for veterans.³ (Similarly, VR&E counselors today are waiting for updated regulations and a policy manual – program guidance promised 2 years ago.)

The *Veterans Transition Assistance Report* pointedly said that the “program intended to enable these veterans to secure employment has proven ineffective.” It recommended a drastic step if improvements were not seen:

If VA has not made significant improvements in achieving the program’s employment purpose in 2 years, the Commission recommends that the responsibility for delivering the services be opened to full competition to outside entities.

VR&E Response to Criticism

In August 1996, a group of VR&E employees called the Design Team – part of a government-wide reinvention initiative – submitted a report with a number of recommendations that would improve the organizational culture, streamline operations, automate business practices, and start a marketing program.

According to the *Veterans Transition Assistance Report*, by September 1998 the Design Team report had yet to be released to the VR&C program stakeholders and even the Design Team members were unaware of its status. The *Veterans Transition Assistance Report* also said that VA indicated that elements of the Design Team Report were incorporated in its 1998 strategic planning business case. It appears to this Task Force that VBA and VR&C lost considerable time in announcing and then starting the implementation of these recommendations.⁴

VBA officials, in responding to a GAO criticism, cited a variety of reasons⁵ (with which this Task Force agrees) for the relatively low rehabilitation rates.

- Misconceptions on the part of veterans about the intent of the program and the difficulty therefore to provide employment services early on in the rehabilitation process.
- VR&C staff lacked the necessary training to engage in job placement activities.
- Onerous counselor caseloads, which are much higher than the optimal of about 125 cases per counselors.

VR&E Business Case Series

After years of criticism, the VR&C leadership began publishing a series of business case reports, which were largely strategic plans to achieve a “far-reaching transformation” of the program.

- *The Business Case: The Track to Employment* in 1998 identified core problems and solutions for the program's inadequate focus on employment, customer expectations being out-of-step with the program's intent, inability to monitor outcomes and provide feedback, inadequate IT support, and inadequate access for veterans. "Employment outcomes" replaced "courses completed" as the measure of success.
- *Vocational Rehabilitation & Employment: The Business Case Continues...* in 2000 reported progress in a flurry of initiatives and showed that the number of rehabilitations increased every year from 1991 to 1999. This second report revealed past and present problems as well as successes.
- *The Disabled Veteran's Working Partner for Rehabilitation Success: Business and Clinical Journal 2002* appears to be more of a marketing publication than a straight-forward program evaluation and strategic plan.

While we understand the natural inclination of any agency to put its best foot forward, this report down played issues, or at least was less forthcoming than the other two reports. For example, the second business case discussed in detail the results of the new customer survey,⁶ in which veterans gave their lowest marks for the job ready phase of VR&E. The third business case only mentioned the survey, choosing to ignore customer dissatisfaction with employment services. We do, however, commend the report for demonstrating success in terms of real people, each with a unique set of disabilities, skills, and desires, who found a path that best suited their interests and abilities through VR&E.

It appears that the business case reports were also intended to be a tracking mechanism of sorts for the various recommendations and implementation actions over several years. If so, a publication appearing every 2 years is not a timely systematic tracking process setting forth who is accountable and when the action will be done. We found no systematic, continuing follow-up within VR&E or VBA, which we believe shows a lack of Central Office leadership, management, and accountability.

OIG Finds Inaccurate Reporting

The Task Force was especially concerned over the 2003 report of VA's Office of Inspector General that data used to compute the rehabilitation rate reported for FY 2000 were not accurate. This was one in a series of audits assessing the accuracy of data used to measure VA's performance in accordance with the Government Performance and Results Act of 1993. VR&E reported 65 percent rehabilitated. OIG reviewed the folders of 90 randomly selected veterans for FY 2000 and found that 7 of these left VR&E during prior or subsequent years. The VA regional office incorrectly classified 15 of 57 veterans as rehabilitated. VBA Headquarters officials could not readily ascertain the cause(s) of the discrepancies. They speculated that pressure to achieve the performance measure target for the rehabilitation rate may have influenced some of the inappropriate decisions to declare veterans rehabilitated. Among other things, the OIG recommended appropriate training for staff and strengthened oversight by Headquarters.

We note that VA's FY 2003-2008 Strategic Plan acknowledges that audits have shown significant problems with data reliability in other parts of the department. VA has initiatives and strategies to address this issue.⁷

In retrospect, VR&E's turnaround effort in recent years did not produce an organizational transformation, but our Task Force does agree that there were many improvements in the program by the year 2000, most notably the introduction of the Corporate WINRS case management information system, the employment specialist pilot, and the first customer survey. Nevertheless, we do not believe that VR&E or its parent organization VBA have carried these efforts to their fullest potential, largely because the Central Office paid little attention to the program, as we describe in this report.

Blue Ribbon Panel Report

At that time, however, things looked promising. VR&E set up a Blue Ribbon Panel of outside rehabilitation experts who were upbeat in their findings when their report came out in 2001. In general, the Task Force agrees with the Blue Ribbon Panel's recommendations, most of which have not been fully realized.

¹ For a list of all the reports and other resources we reviewed, please see the Bibliography in Appendices. For brief summaries of reports from 1976-99, see pages 88-89 in the January 1999 report of the *Congressional Commission on Servicemembers and Veterans Transition Assistance*.

² Hereafter we will refer to this report as the Veterans Transition Assistance Report.

³ Outcome-Based Assessment of the Chapter 31 Program, Dr. David H. Dean, University of Richmond, Richmond, VA (unpublished presentation to the Task Force).

⁴ GAO in 1996 found VA to be in the early stages of implementation. However, the VA strategic plan issued at the end of FY 1997 lacked a detailed plan as to how VBA intended to measure overall effectiveness of its VR program.

⁵ The Job Ready Phase, An Analysis from the 2002 Survey of Veterans Satisfaction with the VA Vocational Rehabilitation and Employment Program, Sept. 2003, by Rhoda Britt, VBA Surveys and Research Staff, Office of Performance Analysis and Integrity.

⁶ VA FY 2003-2008 Strategic Plan, p. 6-1.